

DEFENDANTS'
EXHIBIT 333
Part 26 of 27

The Financial Projections do not reflect the impact of fresh start reporting in accordance with American Institute of Certified Public Accountants statement of position 90-7 “Financial Reporting by Entities in Reorganization under the Bankruptcy Code.”

The Financial Projections contains certain statements that are forward-looking statements and are based on estimates and assumptions and are necessarily speculative. No representations or warranties are made as to accuracy of any financial information contained herein or assumptions regarding the debtors’ businesses and their future results and operations.

The Financial Projections and any forward-looking statements in the Financial Projections are being made by the Debtors as of the date hereof, unless specifically noted. The Debtors are under no obligation to (and expressly disclaim any obligation to) update or alter the Financial Projections and any forward-looking statements whether because of new information, future events, or otherwise.

General Assumptions & Methodology

The Financial Projections for the Debtors are based on the Debtors’ 2023 – 2027 business plan as informed by current and projected conditions in the Debtors’ markets and were prepared on a holistic basis. The Financial Projections consist of the following unaudited pro forma financial statements for each year in the Projection Period: (i) projected consolidated statements of operations and (ii) projected consolidated statements of cash flows.

The Company’s management team reports and uses the Adjusted EBITDA metric to assess the ongoing performance of the Debtors’ core operations, adjusted for certain non-operating and one-time costs.

Consolidated Statements of Operations Assumptions

1. Net Sales: Net Sales are primarily derived from (i) sales to customers, net of certain dealer expenses and discounts and (ii) royalty revenues from domestic and international licensees of intellectual property. The Net Sales forecast is built up at the brand and customer/channel level and is based on management’s views of: bedding market growth; assumed competitive dynamics; customer, channel, and product mix; forecasted trends in price inflation; and product launches, among other factors.
2. Cost of Products Sold: Cost of Products Sold primarily represents materials and related procurement costs, labor, and overhead expenses. Costs of Products Sold are directly correlated to net sales; however, they have been forecast based on management’s expectations with respect to: cost inflation; productivity; customer, channel, and product mix; savings resulting from manufacturing footprint optimization and other cost saving initiatives; and incremental costs associated with product launches, among other factors.
3. Selling, General, and Administrative: Selling, General, and Administrative expense is comprised of outbound distribution costs, certain dealer expenses, royalty expenses, media and marketing expense, general and administrative expense, and other operating and one-time costs, among other costs. One-time costs include costs associated with manufacturing footprint network optimization and costs in support of product development, among other expenses.
4. Amortization of Intangibles: Amortization expense is related to amortization of intangible assets.
5. Restructuring-Related Costs: One-time costs are related to restructuring-related professional fees and transaction costs, among others.
6. Interest Expense: Interest Expense is primarily comprised of interest payments and fees under (i) the Debtors’ post-petition DIP Facility and (ii) the Debtors’ expected capital structure post-emergence and projected levels of borrowing under the post-emergence Exit ABL Facility. Interest

Expense is based on the terms contained in the DIP Facility and post-emergence Exit ABL Facility, post-emergence New Term Loan, and Capital Lease Obligations.

7. Income Tax Expense: Income Tax Expense is presented on a cash basis and is calculated based on the Debtors' current effective tax rate applied against projected levels of taxable income. Tax estimates are based only on tax obligations specific to current period income levels. Transaction-specific tax impacts are not included in these projections, including the receipt of potential tax refunds that may be pursued by the Debtors.

Consolidated Statement of Cash Flows Assumptions

1. Changes in Working Capital: Accounts receivable, inventory, and accounts payable balances are projected based on historical levels of days of sales outstanding, days of inventory outstanding, and days of payables outstanding. In addition, Changes in Working Capital includes adjustments to reflect historical timing of dealer expense application and the receipt of royalty receivables, as well as the assumed timing of accrued incentive compensation, among other factors.
2. Cash Flows Provided by Investing Activities: Primarily comprised of capital expenditures reflecting (i) capital investments related to optimizing the Company's manufacturing footprint, (ii) capital investments to enhance the Company's enterprise resource planning infrastructure, and (iii) other capital expenditures in support of maintaining the Company's existing assets. Cash Flows Provided by Investing Activities are reflected net of asset sale proceeds.
3. Debt: The Plan contemplates a restructured capital structure for the Debtors consisting of (i) a \$125 million Exit ABL Facility, with \$28 million of outstanding letters-of-credit, (ii) a \$315 million, five (5) year New Term Loan (including OID, if any), and (iii) principal outstanding from the Capital Lease Obligations. The Exit ABL Facility will be subject to a minimum draw to be determined.

(\$ in Millions, unless otherwise noted)	2023	2024	2025	2026	2027
Consolidated P&L					
Gross Profit					
Net Sales	\$ 2,060	\$ 2,230	\$ 2,368	\$ 2,515	\$ 2,693
Cost of Sales	(1,254)	(1,330)	(1,396)	(1,475)	(1,567)
Gross Profit	\$ 807	\$ 899	\$ 972	\$ 1,040	\$ 1,126
Selling, General, & Administrative	(790)	(844)	(867)	(907)	(962)
Amortization of Intangibles	(56)	(44)	(44)	(44)	(44)
Operating Income / (Loss)	\$ (40)	\$ 11	\$ 60	\$ 90	\$ 120
Interest Expense	(30)	(45)	(42)	(42)	(42)
Income Tax	(3)	(11)	(22)	(28)	(34)
Restructuring Related Costs	(99)	-	-	-	-
Net Income / (Loss)	\$ (172)	\$ (45)	\$ (4)	\$ 20	\$ 44
Interest Expense	30	45	42	42	42
Income Tax	3	11	22	28	34
Depreciation & Amortization	102	90	90	90	90
Restructuring Related Costs	99	-	-	-	-
Other Adjustments ³	42	33	20	19	19
Adjusted EBITDA	\$ 104	\$ 133	\$ 170	\$ 199	\$ 228

¹⁸ “Other Adjustments” are comprised of non-income taxes (e.g., property taxes, sales and use taxes) and one-time expenses, including costs associated with manufacturing footprint network optimization and costs in support of product development, among other expenses.

(\$ in Millions, unless otherwise noted)	2023	2024	2025	2026	2027
Consolidated Cash Flow Statement					
Cash Flows Provided by Operating Activities					
Net Income (Loss)	\$ (172)	\$ (45)	\$ (4)	\$ 20	\$ 44
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation & Amortization	\$ 102	\$ 90	\$ 90	\$ 90	\$ 90
Changes in Working Capital	6	(2)	(5)	(3)	(4)
Cash Flow from Operating Activities	\$ (65)	\$ 42	\$ 81	\$ 106	\$ 130
Cash Flows Provided by Investing Activities	\$ (40)	\$ (68)	\$ (55)	\$ (50)	\$ (50)
Cash Flows Provided by Financing Activities					
Amortization of Term Loans	\$ (5)	\$ -	\$ (3)	\$ (3)	\$ (3)
Capital Lease Obligations	(2)	(2)	(2)	(2)	(2)
Cash Flow from Financing Activities	\$ (7)	\$ (2)	\$ (5)	\$ (5)	\$ (5)
Net Change in Cash and Cash Equivalents	\$ (111)	\$ (28)	\$ 21	\$ 51	\$ 75
Cash and Cash Equivalents - Beginning of Period	223	112	84	106	157
Cash and Cash Equivalents - End of Period	\$ 112	\$ 84	\$ 106	\$ 157	\$ 232

EXHIBIT I

Voting Procedures and Requirement

VOTING PROCEDURES AND REQUIREMENTS

A. Parties Entitled to Vote

Under the Bankruptcy Code, only holders of claims or interests in “impaired” classes are entitled to vote on a plan. Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be “impaired” under a plan unless (i) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or (ii) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

If, however, the holder of an impaired claim or interest will not receive or retain any distribution under the plan on account of such claim or interest, the Bankruptcy Code deems such holder to have rejected the plan, and, accordingly, holders of such claims and interests do not vote on the plan. If a claim or interest is not impaired by the plan, the Bankruptcy Code deems the holder of such claim or interest to have accepted the plan and, accordingly, holders of such claims and interests are not entitled to vote on the *Joint Chapter 11 Plan of Serta Simmons Bedding, LLC and its Affiliated Debtors* (as may be amended, supplemented, or otherwise modified from time to time, and including all exhibits and supplements thereto, the “**Plan**”).¹⁹²⁰

A vote may be disregarded if the Bankruptcy Court determines, pursuant to section 1126(e) of the Bankruptcy Code, that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

With respect to a class of claims, the Bankruptcy Code deems a class to have accepted the plan if votes to accept the plan are received by creditors holding at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the total claims in that class that cast ballots for acceptance or rejection of the plan. With respect to a class of interests, a class is considered to accept a plan if votes to accept the plan are received by interest holders holding at least two-thirds (2/3) in dollar amount of the total interests in that class that cast ballots for acceptance or rejection of the plan.

The Claims in the following classes are impaired under the Plan and entitled to vote to accept or reject the Plan:

- Class 3 — FLFO Claims
- Class 4 — FLSO Claims
- Class 5 — Non-PTL Term Loan Claims
- Class 6A — Ongoing General Unsecured Claims
- Class 6B — Other General Unsecured Claims

THE ONLY FIVE CLASSES OF CLAIMS THAT ARE IMPAIRED AND ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN ARE CLASS 3 (FLFO CLAIMS), CLASS 4 (FLSO CLAIMS), CLASS 5 (NON-PTL TERM LOAN CLAIMS), CLASS 6A (ONGOING GENERAL

¹⁹ Capitalized terms used but not defined herein have the meanings ascribed to them in the disclosure statement to which this exhibit is attached (the “**Disclosure Statement**”) or in the Plan, as applicable.

²⁰ This **Exhibit I** is qualified in its entirety by the Solicitation and Voting Procedures attached as Schedule I to the Disclosure Statement Approval Order and included in the Solicitation Materials. In the event of any inconsistency, the Solicitation and Voting Procedures will govern and control.

UNSECURED CLAIMS), AND CLASS 6B (OTHER GENERAL UNSECURED CLAIMS) (THE “VOTING CLASSES” OR “VOTING CLAIMS”).

B. Voting Deadline

Before voting to accept or reject the Plan, each Holder of a Claim in a Voting Class as of the Voting Record Date (each, a “**Voting Holder**”) should carefully review the Plan attached to the Disclosure Statement as **Exhibit A**. All descriptions of the Plan set forth in this Disclosure Statement are subject to the terms and conditions of the Plan.

All Voting Holders have been sent a ballot to vote to accept or reject the Plan (the “**Ballot**”) together with this Disclosure Statement. Such Voting Holders should read the Ballot carefully and follow the instructions contained therein. Please use only the Ballot that accompanies this Disclosure Statement to cast your vote. Each Ballot contains detailed voting instructions and sets forth in detail, among other things, the deadlines, procedures, and instructions for voting to accept or reject the Plan, the Voting Record Date for voting purposes, and the applicable standards for tabulating Ballots.

Each Ballot also provides Voting Holders with the ability to opt out or opt in, as applicable, of certain of the releases contained in the Plan. To the extent a Voting Holder wishes to opt out or opt in, as applicable, of the identified releases, the Voting Holder must check the box on the Ballot indicating such Voting Holder is electing to opt out or opt in, as applicable, of the releases.

The Debtors have engaged Epiq as their Solicitation Agent to assist in the transmission of voting materials and in the tabulation of votes with respect to the Plan. **FOR YOUR VOTE TO BE COUNTED, YOUR VOTE MUST BE RECEIVED BY THE SOLICITATION AGENT ON OR BEFORE THE VOTING DEADLINE OF 4:00 P.M. (CENTRAL TIME) ON MAY 1, 2023, UNLESS EXTENDED BY THE DEBTORS.**

IF A BALLOT IS DAMAGED OR LOST, YOU MAY CONTACT THE SOLICITATION AGENT AT THE NUMBER SET FORTH BELOW TO RECEIVE A REPLACEMENT BALLOT. ANY BALLOT THAT IS EXECUTED AND RETURNED BUT WHICH DOES NOT INDICATE A VOTE FOR ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS CONCERNING VOTING PROCEDURES, YOU MAY CONTACT THE SOLICITATION AGENT AT:

Epiq Corporate Restructuring, LLC
Telephone: (877) 618-5414 (toll free from U.S. or Canada)
or +1 (503) 966-3043 (international)
E-mail: sertasimmonsinfo@epiqglobal.com

Additional copies of this Disclosure Statement, the Plan, and the Plan Supplement (when filed) are available upon written request made to the Solicitation Agent, at the telephone numbers or e-mail address set forth immediately above or at the following address:

Serta Simmons Bedding, LLC,
c/o Epiq Ballot Processing Center
10300 SW Allen Boulevard,
Beaverton, OR 97005

ANY BALLOT THAT IS EXECUTED AND RETURNED BUT WHICH DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN OR INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL NOT BE COUNTED. THE DEBTORS, IN THEIR SOLE DISCRETION, MAY REQUEST THAT THE SOLICITATION AGENT ATTEMPT TO CONTACT SUCH VOTERS TO CURE ANY SUCH DEFECTS IN THE BALLOTS. THE FAILURE TO VOTE DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT THE PLAN. AN OBJECTION TO THE CONFIRMATION OF THE PLAN, EVEN IF TIMELY SERVED, DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT THE PLAN.

C. Voting Procedures

The Debtors are providing copies of this Disclosure Statement (including all exhibits and appendices) and related materials and a Ballot to Voting Holders Class 3, Class 4, Class 5, Class 6A, and Class 6B. Voting Holders in Class 3, Class 4, Class 5, Class 6A, and Class 6B who have not received a Ballot should contact the Solicitation Agent.

Voting Holders in Class 3, Class 4, Class 5, Class 6A, and Class 6B should provide all of the information requested by the Ballot, and should (i) complete and return all Ballots received in the enclosed, self-addressed, postage-paid envelope provided with each such Ballot, or via overnight courier or hand delivery, to the Solicitation Agent at the applicable address set forth below or (ii) submit a Ballot electronically via the E-Ballot voting platform on Epiq's website by visiting <https://dm.epiq11.com/sertasimmons>, clicking on the "E-Ballot" link, and following the instructions set forth on the website.

Epiq's Address for Receipt of Ballots
<p>If by Hand Delivery, or Overnight Mail</p> <p>Serta Simmons Bedding, LLC c/o Epiq Ballot Processing Center 10300 SW Allen Boulevard Beaverton, OR 97005</p>
<p>If by First Class Mail</p> <p>Serta Simmons Bedding, LLC c/o Epiq Ballot Processing Center PO Box 4422 Beaverton, OR 97076-4422</p>

VOTING HOLDERS IN CLASS 3, CLASS 4, CLASS 5, CLASS 6A, AND CLASS 6B ARE STRONGLY ENCOURAGED TO SUBMIT THEIR BALLOTS VIA THE E-BALLOT PLATFORM.